

RESOLUTION NO. 74913

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE (I) APPROVING A CONSTRUCTION/PERMANENT LOAN COMMITMENT OF UP TO \$11,228,000.00 FOR THE ORVIETO FAMILY APARTMENTS, L.P., A CALIFORNIA LIMITED PARTNERSHIP, IN WHICH ROEM DEVELOPMENT CORPORATION IS THE GENERAL PARTNER AND DEVELOPER, FOR DEVELOPMENT OF THE 92-UNIT ORVIETO FAMILY APARTMENTS, AN AFFORDABLE MULTIFAMILY RENTAL PROJECT TO BE LOCATED AT THE SOUTHEAST CORNER OF MONTECITO VISTA WAY AND MONTECITO VISTA DRIVE, OFF MONTEREY HIGHWAY SOUTH OF UMBARGER ROAD, AND MADE AVAILABLE TO EXTREMELY LOW-INCOME AND VERY LOW-INCOME HOUSEHOLDS, AND (II) FINDING THAT THE EXPENDITURE OF 20% LOW AND MODERATE INCOME HOUSING FUNDS ON THE SUBJECT SITE IS A BENEFIT TO THE CITY'S REDEVELOPMENT PROJECT AREAS.

WHEREAS, the Redevelopment Agency of the City of San Jose (the "Agency") has the obligation of providing assistance for low and moderate income housing (20% Housing Funds) using funds allocated under California Health and Safety Code Sections 33334.2 and 33487; and

WHEREAS, the Agency and the City entered into that certain Agreement dated September 28, 1990 in which the Agency delegated to the City authority to administer the 20% Housing Funds including the authority to make findings that use 20% Housing Funds in connection with certain housing projects outside a redevelopment area are of benefit to the Agency's project areas; and

WHEREAS, the City, on behalf of the Agency, has a program to administer and distribute 20% Housing Funds; and

WHEREAS, in order to attract capital investment, eliminate blight and achieve other redevelopment objectives there is a need to encourage and assist housing of all income levels throughout the City; and

WHEREAS, the provision of low and moderate income housing throughout the City near jobs will serve to facilitate employment opportunities for all citizens of the City, revitalize neighborhoods that are near or adjacent to redevelopment areas and generally assist efforts in redevelopment areas; and

WHEREAS, on June 26, 2008, ROEM Development Corporation ("ROEM") submitted a Notice of Funding Availability application for an acquisition/construction/permanent loan in the amount of up to \$10,575,400 for the development of the Orvieto Family Apartments project ("Project") located at the southeast corner of Montecito Vista Way and Montecito Vista Drive; and

WHEREAS, in March, 2009, ROEM purchased the site using the City's land acquisition loan in the amount of \$3,680,000; and

WHEREAS, staff would like to recommend a construction/permanent loan commitment in an amount up to \$11,228,000.00, and

WHEREAS, the finding is made that the expenditure of 20% Low and Moderate Income Housing Funds on the subject site is of benefit to the City's Redevelopment Project Areas.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

1. A construction/permanent loan commitment of up to \$11,228,000.00 for the Orvieto Family Apartments, L.P., a California limited partnership, in which ROEM

Development Corporation is the general partner and developer, for development of the 92-unit Orvieto Family Apartments, an affordable multifamily rental project to be located at the Southeast corner of Montecito Vista Way and Montecito Vista Drive, off of Monterey Highway South of Umbarger Road, and made available to extremely low-income and very low-income households, as more specifically set forth in the Director of Housing Report dated April 27, 2009, is hereby approved.

2. The expenditure of 20% Low and Moderate Income Housing Funds on the subject site is a benefit to the City's Redevelopment Project Areas.

ADOPTED this 19th day of May, 2009, by the following vote:

AYES: CHU, CONSTANT, KALRA, LICCARDO, NGUYEN, PYLE, REED.

NOES: OLIVERIO.

ABSENT: CAMPOS, CHIRCO, HERRERA.

DISQUALIFIED: NONE.

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk